

September 5, 2013

Notes on Health Care Benefits

RE: Melissa's memo dated 8/20/13 to Select Board

Melissa nicely breaks down the cost to each taxpayer. However, it is more important to look at the total cost to the Town budget.

Using the current cost per policy with the 90/10 split, the fact that we are accurately using couples policies for the three employees who are couples, not families, saves the Town \$23,463.72.

[\$1,209.85/month as opposed to  $1,861.62 = \$651.77 \times 3 \times 12$ ]

The cost of a 75% vs 90% split using today's family and couples policies would save the Town \$22,152.27.

So, while individually the dollar savings are not significant, we don't vote on the cost per individual, we vote on the whole dollar amount. And a combined savings of \$45,615.99 is a nice piece of change and would buy the Town what? Maybe an added member of the Highway Crew?

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Also while it is true that we will be adding a new employee at an 80/20 split and losing a 90/10 split there are two other factors to consider:

1. Peter's is a couples policy, perhaps the new employee's will be a family policy.
2. Peter is not leaving the Town budget, he will be receiving health care benefits as a retiree.
3. If this is the case we will potentially be adding \$10,264.87/year to the budget.

[\$19,857.31 for family plan vs \$14,518.20 for a couple = \$5,339.11 + \$4,925.76 for the retiree plan = \$10,264.87]  
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